

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR



KENNETH HAHN HALL OF ADMINISTRATION 500 WEST TEMPLE STREET, ROOM 437 LOS ANGELES, CA 90012

MARK J. SALADINO TREASURER AND TAX COLLECTOR

August 5, 2004

TELEPHONE (213) 974-2101

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The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012

Dear Supervisors:

RECOMMENDATION TO APPROVE AN AMENDMENT WITH CORE BUSINESS TECHNOLOGIES, AGREEMENT NUMBER 74507, TO PROVIDE FOR A SUBSTITUTION IN ESCROW AGENT (3 VOTES)

CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATIONS ()
DISAPPROVE ()

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to sign Amendment No. 1 ("Amendment") with CORE Business Technologies ("CORE") to provide for a substitution in escrow agents by way of novation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 10, 2003, your Board authorized and approved Agreement No. 74507 with CORE for the provision of an automated cashiering system. The Agreement terms included authority delegated to the Treasurer and Tax Collector to execute a tri-party Escrow Agreement with CORE and John Earle, Esquire, to provide software escrow services for the Automated Cashiering System. Recently, John Earle, Esquire, has notified CORE that he is retiring and thus will no longer be providing escrow services. Subsequently, Cameron & Mittleman, LLP has been selected by CORE as the new proposed Escrow Agent; TTC concurs with this selection. This Amendment is a contract novation to effectuate this transition to the new Escrow Agent.

Implementation of Strategic Plan Goals

Board approval of this Amendment is consistent with the County's Strategic Plan Goal of Organizational Effectiveness. This Amendment provides for continuity of software escrow services.

The Honorable Board of Supervisors August 5, 2004 Page 2 of 2

FISCAL IMPACT/FINANCING

There will be no change to the maximum County obligation under the current Board adopted Agreement. CORE, as Licensor, is solely responsible for any and all fees, costs, and expenses due the Escrow Agent under this Agreement.

FACTS AND PROVISIONAL/LEGAL REQUIREMENTS

The original agreement with CORE, Agreement No. 74507, was adopted by the Board on June 10, 2003. The Amendment will become effective upon your Board's approval. County Counsel has reviewed and approved this Amendment as to form. The County's Chief Information Officer concurs with the Department's recommendation.

IMPACT ON CURRENT SERVICES

There is no negative impact on current services. The recommended Amendment provides for a new Escrow Agent and will ensure the continuous provision of software escrow services, as the new Escrow Agent has subscribed to all terms and conditions of the prior Agent.

CONCLUSION

Instruct the Executive Officer/Clerk of the Board to return two (2) signed originals of the Amendment No. 1 to the Treasurer and Tax Collector and one adopted stamped copy of the Board letter.

Respectfully submitted,

MARK J. SALADINO

Treasurer and Tax Collector

Reviewed by:

PN W. FULLINWIDEJ

Chief Information Office

MJS:MH:mh

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Attachments (2)

c: Chief Administrative Officer County Counsel Executive Officer, Board of Supervisors

CIO ANALYSIS

TREASURER AND TAX COLLECTOR AMENDMENT NO. 1 TO AGREEMENT 74507 WITH CORE BUSINESS TECHNOLOGIES

CIO 1	RECO	DMMENDATION: APPROVE APPROVE WITH MODIFICATION DISAPPROVE	
	New	Type: Contract	
New/Revised Contract Term: Base Term: N/A # of Option Yrs: N/A			
	Softv	Components: ware Hardware Telecommunications essional Services	
Project Executive Sponsor: John McKinney, Operations Chief, Banking and Remittance			
Budget Information :			
Y-T-D Expenditures \$			
Requested Contract Amount \$ 489,175			
Aggregate Contract Amount \$ 489,175			
Project Background:			
Yes No Question			
│			
Is this project subvented? If yes, what percentage is offset?			
Strat	egic	Alignment:	
Yes	No	Question	
		Is this project in alignment with the County of Los Angeles Strategic Plan?	
\boxtimes		Is this project consistent with the currently approved Department Business Automation Plan?	
\boxtimes		Does the project's technology solution comply with County of Los Angeles IT Directions Document?	
	\boxtimes	Does the project technology solution comply with preferred County of Los Angeles IT Standards? A web-based application was preferred, only one proposal met this requirement and its limited functionality and higher cost lowered its ranking in the evaluation process.	

Project/Contract Description:

The Treasurer and Tax Collector (TTC) is requesting Board approval of Amendment No. 1 to Agreement No. 74507 with CORE Business Technologies (CORE) to provide for a substitute escrow agent for the Department's Automated Cashiering System (ACS). This Amendment will not impact the County's obligation under the current agreement.

_ _ Background:

On June 10, 2003, the Board approved Agreement No. 74507 with CORE to replace the legacy ACS with a modern, Windows-based client/server, payment processing system. Additionally, your Board delegated authority to TTC to execute a tri-party software escrow agreement with CORE and John Earle, Esquire (Escrow Agent) for software escrow services for the ACS. Mr. Earle has notified CORE that he is retiring and will no longer be providing escrow services. CORE has selected Cameron & Mittleman, LLP as the new Escrow Agent and Amendment No. 1 to the existing Agreement will effectuate this transition.

Project Justification/Benefits:

This Amendment provides a new Escrow Agent and will ensure for the continued provision of escrow services under this Agreement.

Project Metrics

Not applicable.

Impact If Proposal Is Not Approved:

Escrowing the software provides the Department the ability to ensure access to the software for this mission critical application against unforeseen events.

Alternatives Considered:

None.

Project Risks:

None.

Risk Mitigation Measures:

Not applicable.

Financial Analysis:

This action will not impact the maximum County obligation under the Agreement. CORE is solely responsible for any and all fees, costs, and expenses for these services under this Agreement.

CIO Concerns:

None.

CIO Recommendations:

The CIO recommends approval of this Amendment.

CIO APPROVAL

Date Received:

Prepared by:

Date:

Approved:

Date:

te: / <u>/ 08/</u>

P:\Drafts\ttccoretechnologyagreement.doc

AMENDMENT NUMBER I

AUTOMATED CASHIERING SYSTEM COUNTY AGREEMENT NO. 74507

This Amendment Number 1 ("Amendment") is entered into by and between the County of Los Angeles ("County") and CORE Business Technologies, a Rhode Island corporation ("Contractor"), effective as of August 17, 2004, based on the following recitals:

WHEREAS, on June 10, 2003, the County and Contractor entered into County Agreement Number 74507 for the provision of an automated cashiering system (the "Agreement");

WHEREAS, the Agreement, at Section 6.1 (Change Notices and Amendments), requires that for any change which affects any term or condition must be in the form of a duly executed Amendment to be effective;

WHEREAS, the parties desire to substitute source code escrow agents under the Agreement;

NOW, THEREFORE, the parties amend the Agreement as follows:

- 1.0 The Agreement, at Exhibit F (Preferred Escrow Agreement) shall be amended by way of novation to pass all escrow duties, responsibilities and rights from John Earle, Esquire (the "Current Escrow") to Cameron & Mittleman, a Rhode Island Limited Liability Partnership, Escrow Agent (the "New Escrow"). Without limiting the generality of the foregoing, all references in Exhibit F to Escrow Agent shall now refer to the New Escrow.
- 2.0 Except for the changes set forth herein, all other Terms and Conditions of the Agreement shall remain the same.

AMENDMENT NUMBER ONE

AUTOMATED CASHIERING SYSTEM COUNTY AGREEMENT NO. 74507

The County, Contractor, Current Escrow, and New Escrow have each caused this Amendment One to be subscribed by its duly authorized representative.

COUNTY OF LOS ANGELES

	Ву:
ATTEST: VIOLET VARONA-LUKENS Executive Officer Board of Supervisors	Chairman, Board of Supervisors
By: Deputy	
Cameron & Mittleman a Rhode Island LLP	John Earle, Esquire
Ву:	By any tales
Name: Joseph A. Aneste	Name: <u>JOAN 6, EARLE</u> Title: <u>ESCROW</u> ARENT
Title: Parther	Title: ZELROW ALENT
CORE Business Technologies, a Rhode Island corporation	
ву: УМ	
Name: Moks Cohen	
Title: President	
APPROVED AS TO FORM: OFFICE OF THE COUNTY COUNSEL	
By: John L. Geiger	
Senior Deputy County Counsel	•